

P.O. Box 619063, Dallas, TX 75261-9063  
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LLEWELLYN C WARMKESSEL

LLEWELLYN C WARMKESSEL  
NANCY J WARMKESSEL  
830 GILLY AVE  
BETHLEHEM PA 18015-4208

**Please review – important changes to  
your mortgage loan payment.**

Loan Number: [REDACTED]

Property Address:  
830 Gilly Avenue  
Bethlehem, PA 18015

Statement Date: 10/14/2022

New Payment Effective Date: 12/01/2022

Dear Llewellyn C Warmkessel and Nancy J Warmkessel,

Your relationship is important to us and we appreciate the opportunity to service your home financing needs. This statement provides details on your escrow account history, as well as our projections for your property tax and homeowner's insurance obligations for the next 12 months.

Based on our review, there is a shortage of funds in your escrow account, which was caused by changes in your taxes, insurance or escrow deposits. **Your mortgage payment is changing – please see details below.**

YOUR NEW PAYMENT		
Payment Information	Current Monthly Payment	Your New Monthly Payment beginning on 12/01/2022
Principal & Interest:	\$740.73	\$740.73
Escrow Payment:	\$517.36	\$548.71
Escrow Shortage:	\$0.00	\$296.73
Other:	-\$25.80	\$0.00
<b>Total Payment:</b>	<b>\$1,232.29</b>	<b>\$1,586.17</b>

To help you better understand your statement, as well as escrow accounts in general, please review the enclosed "Helpful Information" page or visit [mtb.com/escrow\\_faqs](https://mtb.com/escrow_faqs). If you have any other questions, please call us at 1 800 411 7627, Monday Friday, 8:30am 9:00pm ET, or write to us at M&T Bank, P.O. Box 1288, Buffalo, NY 14240.

Thank you for being our customer. We take great pride in being your mortgage partner.

**Quick and easy  
payment options:**



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at [mtb.com](https://mtb.com)



**CALL**  
1-800-411-7627



**STOP BY**  
any M&T branch

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THIS SECTION HAS BEEN INTENTIONALLY LEFT BLANK

YOUR ACCOUNT HISTORY

Below are the previous escrow projections (including anticipated escrow activity that may occur before your New Payment Effective Date listed on page 1) and the actual escrow activity to date. Comparing the two can determine where a difference may have occurred.

Activity Summary

Month & Year	Projected Payment to Escrow	Actual Payment to Escrow	Description	Projected Disbursement	Actual Disbursement	Projected Balance	Actual Balance
Beginning Balance						\$2,465.78	-\$8,395.72
Jan 2022	\$517.36	*	Risk Bsd FHA	\$106.41	*	\$2,876.73	-\$8,395.72
Jan 2022			Risk Bsd FHA		\$106.41 *	\$2,876.73	-\$8,502.13
Jan 2022			Hazard Ins		\$1,403.86 *	\$2,876.73	-\$9,905.99
Feb 2022	\$517.36	\$489.57 *	Risk Bsd FHA	\$106.41	*	\$3,287.68	-\$9,416.42
Feb 2022			Hazard Ins	\$1,135.25	*	\$2,152.43	-\$9,416.42
Feb 2022			Risk Bsd FHA		\$106.41 *	\$2,152.43	-\$9,522.83
Mar 2022	\$517.36	*	Risk Bsd FHA	\$106.41	\$106.41	\$2,563.38	-\$9,629.24
Apr 2022	\$517.36	*	Risk Bsd FHA	\$106.41	*	\$2,974.33	-\$9,629.24
Apr 2022			Risk Bsd FHA		\$103.81 *	\$2,974.33	-\$9,733.05
May 2022	\$517.36	*	Risk Bsd FHA	\$106.41	*	\$3,385.28	-\$9,733.05
May 2022			County Tax	\$543.07	\$543.07	\$2,842.21	-\$10,276.12
May 2022			Town Tax	\$347.67	\$419.51 *	\$2,494.54	-\$10,695.63
May 2022			Risk Bsd FHA		\$103.81 *	\$2,494.54	-\$10,799.44
Jun 2022	\$517.36	*	Risk Bsd FHA	\$106.41	*	\$2,905.49	-\$10,799.44
Jun 2022			Risk Bsd FHA		\$103.81 *	\$2,905.49	-\$10,903.25
Jul 2022	\$517.36	*	Risk Bsd FHA	\$106.41	*	\$3,316.44	-\$10,903.25
Jul 2022			Risk Bsd FHA		\$103.81 *	\$3,316.44	-\$11,007.06
Aug 2022	\$517.36	-\$388.44 *	Risk Bsd FHA	\$106.41	*	\$3,727.39	-\$11,395.50
Aug 2022			School Tax	\$2,905.49	\$2,972.26 *	\$821.90	-\$14,367.76
Aug 2022			Risk Bsd FHA		\$103.81 *	\$821.90	-\$14,471.57
Sep 2022	\$517.36	*	Risk Bsd FHA	\$106.41	*	\$1,232.85	-\$14,471.57
Sep 2022			Risk Bsd FHA		\$103.81 *	\$1,232.85	-\$14,575.38
Sep 2022			School Tax		\$3,004.69 *	\$1,232.85	-\$17,580.07
Oct 2022	\$517.36	\$15,933.97 *	Risk Bsd FHA	\$106.41	*	\$1,643.80	-\$1,646.10
Oct 2022			Risk Bsd FHA		\$103.81 *	\$1,643.80	-\$1,749.91
Nov 2022	\$517.36	\$517.36	Risk Bsd FHA	\$106.41	\$103.81 *	\$2,054.75	-\$1,336.36

The total amount of escrow payments received during this period was \$16,552.46 and the total escrow disbursements were \$9,493.10.

\*Indicates a difference from a previous estimate either in the date or the amount of the deposit/disbursement.

M&T Bank is attempting to collect a debt and any information obtained will be used for that purpose. To the extent your original obligation was discharged, or is subject to an automatic stay of bankruptcy under Title 11 of the United States Code, this statement is for compliance and/or informational purposes only and does not constitute an attempt to collect a debt or to impose personal liability for such obligation. However, M&T Bank retains rights under its security instrument, including the right to foreclose its lien.

PROJECTED ESCROW PAYMENTS OVER THE NEXT 12 MONTHS

Anticipated Annual Disbursements

Mortgage Ins:	\$1,245.72
Hazard Ins:	\$1,403.86
County Tax:	\$543.07
Taxes:	\$419.51
Taxes:	\$2,972.26
Total:	\$6,584.42

As allowed by federal law (RESPA), our projections include an escrow reserve (or cushion) equal to two monthly escrow payments (excluding MIP/PMI), unless state law specifies a lower amount.

Anticipated Activity Summary

Projections for the coming year: The following summary shows anticipated activity in your escrow account for the next 12 months, which was used to calculate your payment above.

Month & Year	*Monthly Escrow Payment	Amount Scheduled to be Paid	Description	Projection Based on Current Balance	Projection Based on Required Balance
Beginning Balance				-\$1,336.36	\$2,224.38
Dec 2022	\$548.71	\$103.81	Risk Bsd FHA	-\$891.46	\$2,669.28
Jan 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$446.56	\$3,114.18
Feb 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$1.66	\$3,559.08
Feb 2023		\$1,403.86	Hazard Ins	-\$1,405.52	\$2,155.22
Mar 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$960.62	\$2,600.12
Apr 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$515.72	\$3,045.02
May 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$70.82	\$3,489.92
May 2023		\$543.07	County Tax	-\$613.89	\$2,946.85
May 2023		\$419.51	Town Tax	-\$1,033.40	\$2,527.34
Jun 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$588.50	\$2,972.24
Jul 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$143.60	\$3,417.14
Aug 2023	\$548.71	\$103.81	Risk Bsd FHA	\$301.30	\$3,862.04
Aug 2023		\$2,972.26	School Tax	-\$2,670.96	\$889.78
Sep 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$2,226.06	\$1,334.68
Oct 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$1,781.16	\$1,779.58
Nov 2023	\$548.71	\$103.81	Risk Bsd FHA	-\$1,336.26	\$2,224.48

Escrow Requirements, New Mortgage Payment and Anticipated Annual Disbursements:

Projected Beginning Balance	-\$1,336.36
- Required Minimum Balance	\$2,224.38
Shortage Amount	\$3,560.74

Projected Escrow Balance Summary

M&T Bank expects to pay \$6,584.42 over the next 12 months.  
Here's how to calculate your new monthly escrow payment:

Total taxes and insurance:	\$6,584.42
Divided by 12 monthly payments:	\$548.71

\*New Monthly Escrow Payment: \$548.71

Your lowest monthly escrow balance for the next 12 months should reach \$889.78, which equals a total of two months' escrow payments. To reach this balance, your required escrow amount after your Nov 2022 payment should be \$2,224.38, whereas your actual escrow balance is -\$1,336.36. The difference, \$3,560.74, represents the amount needed in your escrow account and will be spread over the next 12 payments.



Borrower Paid Mortgage Insurance Premium: Your mortgage loan requires a borrower paid mortgage insurance premium ("MIP"). MIP is insurance from the Federal Housing Administration ("FHA") that protects lenders against loss in the event a borrower defaults on a mortgage.

**Effective for all loans closed on or after January 1, 2001, FHA annual MIP will be automatically cancelled under the following conditions:**

**Loans with FHA case numbers assigned before June 3, 2013:**

- Mortgage loan terms greater than 15 years: the annual MIP will be cancelled when the loan to value ratio reaches 78%, provided the mortgagor has paid the annual mortgage insurance premium for at least five years.
- Mortgage loan terms less than or equal to 15 years with a loan to value ratio greater than 78%: the annual MIP will be cancelled when the loan to value ratio reaches 78%.

**FHA will determine when you have reached the 78% loan to value ratio based on the lower of the sales price or appraised value at origination.** New appraised values will not be considered. Cancellation of the annual mortgage insurance premium will normally be based on the scheduled amortization of the loan. However, in cases where additional payments have been applied to the loan balance as a prepayment, cancellation can be based on the actual amortization of the loan. If you have prepaid and believe you have met the requirements for cancelling the FHA insurance, please send a written request to us at P.O. Box 1288, Buffalo, NY 14240.

**Loans with FHA case numbers assigned on or after June 3, 2013:**

- Mortgage loan terms greater than 15 years with loan to value ratio greater than 90%: duration of the annual MIP is the loan term.
- Mortgage loan terms greater than 15 years with loan to value ratio less than or equal to 90%: duration of the annual MIP is 11 years.
- Mortgage loan terms less than or equal to 15 years with loan to value ratio greater than 90%: duration of the annual MIP is the loan term.
- Mortgage loan terms less than or equal to 15 years with loan to value ratio less than or equal to 90%: duration of the annual MIP is 11 years.

To help you better understand your statement, as well as escrow accounts in general, answers to some of the most frequently asked questions are listed below.

**Q Why am I getting this statement?**

**A** Mortgage lenders are required by regulations to perform an annual review of your account and provide a hard copy statement for your records.

**Q How does an escrow account work?**

**A** A mortgage escrow account allows you to pay ongoing property tax and homeowner's insurance costs within your monthly mortgage payments. These additional funds accumulate in your escrow account, managed by M&T, and we pay property taxes, homeowner's insurance and any mortgage insurance on your behalf when they are due.

**Q How is my escrow payment determined?**

**A** To determine the appropriate funds are collected for the escrow portion of your payment, we use the following calculation:

*12 months of anticipated escrow payments,  
accounting for any existing escrow balance*

+ escrow reserve

÷ 12

= monthly escrow payment

The escrow reserve (or escrow cushion) is the amount of money collected to cover any unanticipated increases in your real estate tax or insurance premium payment. It acts as a buffer and helps to prevent your escrow account from being overdrawn. An escrow reserve exists on your account unless your mortgage documents or state law applies and is generally a two-month escrow payment.

**Q What causes escrow payments to change from year to year?**

**A** Your escrow payment may increase for several reasons. The most common reasons are:

- Increases in your property taxes, insurance premiums, or your property's tax assessment
- Changes in your insurance carrier or your tax due date
- Fewer deposits to escrow than expected

Even though taxes or insurance may go down from the previous year, it doesn't mean escrow payments will also decrease. Analysis calculations for tax and/or insurance are based on last amount(s) paid, or where applicable, from the prior servicer or from closing documents. If you have received more recently updated information from your tax assessor, please forward it to [eta@mtb.com](mailto:eta@mtb.com).

**TIP:** Municipalities offer a few common tax exemptions for disability, homestead, senior and veteran status. Check with your local tax office to see if you are eligible for these, or any other exemptions.

**Q If there is an escrow shortage, what do I need to do?**

**A** You are not required to pay the escrow shortage in full.

If you do not want to submit the full shortage amount, the escrow shortage will be spread equally over 12 months of payments and your new payment will be higher for the coming year.

If you choose to submit the full shortage amount (partial payments are not permitted), you have two payment options:

- **Online:** Log in to your M&T Online or Mobile Banking account, select your mortgage account and click the "View My Mortgage Info" button. At the top left of the next screen, select "Make A Payment." Your mortgage loan must be current to use this option.
- **By Mail:** Send a check, made payable to M&T Bank with "escrow shortage payment" and the loan number noted on the memo line, to: M&T Bank, Escrow Department, P.O. Box 64787, Baltimore, MD 21264-4787. If you are paying your escrow shortage, the funds will be applied immediately, however your mortgage statement may not reflect changes until the analysis effective date.

**PLEASE NOTE:** Paying the full shortage amount will adjust your account resulting in the smallest possible increase in your monthly mortgage payment amount. It's important to keep in mind that any increase in your real estate tax amounts and/or insurance premium(s) may cause your payment amount to change even if you pay your shortage amount.

**Q Why do I have an escrow overage (surplus of funds) in my account?**

**A** An overage occurs if the current funds and future payments to your escrow account are estimated to exceed the anticipated tax and insurance payments for the next 12 months (escrow analysis period). An overage may occur if taxes or insurance premiums were lower than estimated. When the escrow analysis is completed, the overage amount may be sent to you as a refund check. If the surplus is less than \$50, it will be credited to your payment.

Have additional questions? We're here to help.

Go to [mtb.com/escrow-faqs](https://mtb.com/escrow-faqs) for answers to other frequently asked questions.

Or call us at **1-800-411-7627** Monday – Friday, 8:30am – 9pm ET.

We appreciate your business. Thank you for giving us the opportunity to serve your financial needs.

**M&T Bank**